

Message Text

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FM AMEMBASSY MADRID

TO SECSTATE WASHDC NIACT IMMEDIATE 4314

C O N F I D E N T I A L SECTION 1 OF 2 MADRID 0424

E.O. 11652: GDS

TAGS: MARR, SP

SUBJ: BASE NEGOTIATIONS: SUPPLEMENTAL AGREEMENT ON ECONOMIC
COOPERATION

REF : A) STATE 011008; B) MADRID 350; C) STATE 013805

1. GOS IS CONSIDERING REVISED LANGUAGE FOR FIRST SENTENCE
OF ARTICLE 3 OF SUPPLEMENTAL AGREEMENT ON ECONOMIC COOPERATION
WHICH EMBASSY REQUESTED ON BASIS OF REF C. REACTION PROMISED
BY JANUARY 21. GOS PREFERS "REINFORCE" TO "CONTINUE" IN
ARTICLE 5 AS AN OPTICAL MEASURE TO GIVE PUBLIC IMPRESSION
GOS WILL INTENSIFY ITS EFFORTS TO QUALIFY FOR GSP.

EMBASSY DOES NOT SEE ANY PRACTICAL EFFECT OF USING ONE WORD
OR THE OTHER, BUT HAS ASKED GOS TO CONSIDER RETAINING
WORD "CONTINUE."

2. GOS HAS POINTED OUT THAT LAST TWO SENTENCES OF ARTICLE 1
ARE REDUNDANT SINCE THEY REPEAT ALMOST VERBATIM TEXT OF
ARTICLE 6. EMBASSY BELIEVES THIS IS CORRECT AND HAS AGREED
TO DELETION OF LAST TWO SENTENCES OF ARTICLE 1, RETAINING
ARTICLE 6 AS IS.

3. ALTHOUGH GOS STILL PREFERS NOT TO ADD LANGUAGE
IN ARTICLE 3 RELATING TO CURRENT COMMITMENT OF EXPORT-
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IMPORT BANK, EMBASSY WANTS TO RETAIN AUTHORITY CONTAINED

REF A TO INSERT SUCH LANGUAGE IF NECESSARY TO STRENGTHEN SECTION AND ACHIEVE OVERALL AGREEMENT.

4. COMPLETE TEXT OF SUPPLEMENTAL AGREEMENT IN ENGLISH AND AS TRANSLATED INTO SPANISH BY GOS FOLLOW, WITH CHANGES REQUESTED BY REF C AND DELETING REDUNDANT SENTENCES OF ARTICLE 1:

5. BEGIN ENGLISH TEXT:

ARTICLE 1

IN THEIR ECONOMIC RELATIONS, THE UNITED STATES AND SPAIN WILL BE GUIDED BY THEIR SHARED DESIRE TO ENCOURAGE ECONOMIC GROWTH, TRADE EXPANSION, AND OTHER ECONOMIC RELATIONS AMONG NATIONS, AND BY THE PRINCIPLES CONTAINED IN THE (NAME OF AGREEMENT).

6. ARTICLE 2

THE TWO GOVERNMENTS REAFFIRM THEIR DETERMINATION TO INTENSIFY THEIR COMMERCIAL RELATIONS AND TO TAKE ALL APPROPRIATE STEPS TO ENCOURAGE THE GROWTH OF THEIR RESPECTIVE EXPORTS. IN ORDER THAT THIS GROWTH MAY TAKE PLACE ON A BASIS ACCEPTABLE TO BOTH PARTIES, THEY WILL SEEK TO AVOID THE DEVELOPMENT OF A DISEQUILIBRIUM THAT COULD BE MUTUALLY DISADVANTAGEOUS TO THEIR OVERALL ECONOMIC RELATIONSHIP. TO THIS END, THE TWO GOVERNMENTS WILL SEEK TO AVOID IMPOSING RESTRICTIONS ON THE FLOW OF TRADE BETWEEN THEM IN ACCORDANCE WITH THEIR OBLIGATIONS UNDER THE GENERAL AGREEMENT ON TARIFFS AND TRADE AND OTHER INTERNATIONAL AGREEMENTS IN FORCE.

7. ARTICLE 3. THE TWO GOVERNMENTS AGREE ON THE DESIRABILITY OF DIRECT INVESTMENT BETWEEN THEIR TWO COUNTRIES, AND TO THAT END THEY WILL ENDEAVOR TO ARRIVE AT APPROPRIATE AND MUTUALLY AGREEABLE MEASURES TO FACILITATE SUCH INVESTMENT FLOWS, WITHIN THE LIMITS OF THEIR RESPECTIVE LAWS AND INTERNATIONAL OBLIGATIONS. IN PARTICULAR, BOTH GOVERNMENTS RECOGNIZE THE IMPORTANCE OF THE ROLE PLAYED BY THE EXPORT-IMPORT BANK OF THE UNITED STATES BOTH IN STIMULATING THE PURCHASE OF UNITED STATES CAPITAL GOODS BY

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SPANISH ENTERPRISES AND IN ASSISTING THE PROGRESS OF SPAIN'S ENERGY AND INDUSTRIAL DEVELOPMENT PROGRAMS, AND THEREFORE THEY WILL SEEK TO STRENGTHEN FURTHER THESE FINANCIAL RELATIONS IN THE FUTURE.

8. ARTICLE 4. THE GOVERNMENT OF SPAIN REITERATES ITS OBJECTIVE OF ACHIEVING ITS FULL INTEGRATION IN THE EUROPEAN ECONOMIC COMMUNITY, AND THE GOVERNMENT OF THE UNITED STATES DECLARES ITS

FAVORABLE UNDERSTANDING OF THIS SPANISH OBJECTIVE. THE TWO GOVERNMENTS AGREE TO MAINTAIN CONTACT IN SEEKING TO ARRIVE AT MUTUALLY SATISFACTORY SOLUTIONS OF ANY PROBLEMS THAT MAY ARISE FOR EITHER OF THEM IN THIS CONNECTION.

9. ARTICLE 5. IN ORDER TO FACILITATE ACHIEVEMENT OF THE GOALS ESTABLISHED IN ARTICLE 2, THE TWO GOVERNMENTS WILL CONTINUE THEIR CONSULTATIONS REGARDING THE MOST APPROPRIATE MANNER IN WHICH SPAIN CAN QUALIFY FOR THE BENEFITS OF THE GENERALIZED SYSTEM OF PREFERENCES PROVIDED FOR IN THE UNITED STATES TRADE ACT OF 1974.

10. ARTICLE 6. THE TWO GOVERNMENTS REAFFIRM THEIR INTEREST IN CARRYING OUT A REGULAR PROGRAM OF CONSULTATIONS ON ALL ECONOMIC MATTERS OF MUTUAL INTEREST. TO THAT END, THEY AGREE TO ESTABLISH A JOINT ECONOMIC COMMITTEE UNDER THE UNITED STATES-SPANISH COUNCIL. THE JOINT ECONOMIC COMMITTEE WILL MONITOR BILATERAL ECONOMIC RELATIONS, DISCUSS MATTERS OF MUTUAL INTEREST, SEEK TO RESOLVE PROBLEMS WHICH MAY ARISE, AND MAKE APPROPRIATE RECOMMENDATIONS FOR FURTHERING THEIR ECONOMIC COOPERATION.

11. ARTICLE 7. THIS AGREEMENT WILL ENTER INTO FORCE AND REMAIN IN FORCE WITH THE (NAME OF THE AGREEMENT) BETWEEN THE UNITED STATES AND SPAIN. IT SUPERCEDES THE AGREEMENT OF JULY 15, 1968, ESTABLISHING A SPANISH-UNITED STATES ECONOMIC COMMITTEE.

END OF ENGLISH TEXT.

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12. BEGIN SPANISH TEXT:

ARTICULO 1.

LAS RELACIONES ECONOMICAS ENTRE LOS GOBIERNOS DE ESPANA Y DE LOS ESTADOS UNIDOS ESTARAN PRESIDIDAS POR EL COMUN DESEO DE FAVORECER EL DESARROLLO ECONOMICO, LA EXPANSION DEL COMERCIO Y OTRAS RELACIONES ECONOMICAS ENTRE LAS NACIONES, Y POR LOS PRINCIPIOS CONTENIDOS EN EL -----.

13. ARTICULO 2.

LOS DOS GOBIERNOS REAFIRMAN SU VOLUNTAD DE INTENSIFICAR SUS RELACIONES COMERCIALES Y DE TOMAR TODAS LAS MEDIDAS OPORTUNAS PARA FOMENTAR EL CRECIMIENTO DE SUS RESPECTIVAS EXPORTACIONES. CON EL FIN DE QUE ESTE CRECIMIENTO PUEDA LOGRARSE SOBRE UNAS BASES ACEPTABLES PARA AMBAS PARTES, PROCURARAN EVITAR EL DESARROLLO DE UN DESEQUILIBRIO QUE PUEDA SER MUTUAMENTE PERJUDICIAL AL CONJUNTO DE SUS RELACIONES ECONOMICAS. A ESTE FIN, LOS DOS GOBIERNOS PROCURARAN ABSTENERSE DE IMPONER RESTRICCIONES A LAS CORRIENTES COMERCIALES RECIPRO-CAS, DE CONFORMIDAD CON LAS OBLIGACIONES DERIVADAS DEL ACUERDO GENERAL SOBRE ARANCELES Y COMERCIO Y OTROS ACUERDOS INTERNACIONALES EN VIGOR.

14. ARTICULO 3. LOS DOS GOBIERNOS ESTAN DE ACUERDO
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EN LA CONVENIENCIA DE INVERSIONES DIRECTAS ENTRE LOS DOS PAISES, Y A TAL EFECTO PROCURARAN ENCONTRAR MEDIDAS QUE SEAN APROPRIADAS Y MUTUALMENTS SATISFACTORIAS PARA FACILITAR DICHOS FLUJOS DE INVERSIONES, DENTRO DE LOS LIMITES DE SUS RESPECTIVAS LEGISLACIONES Y OBLIGACIONES INTERNACIONALES. EN ESPECIAL, AMBOS GOVIERNOS RECONOCEN LA IMPORTANCIA DEL PAPEL DESEMPEÑADO POR EL BANCO DE EXPORTACION E IMPORTACION DE LOS ESTADOS UNIDOS, TANTO PARA FOMENTAR LA COMPRA DE BIENES DE EQUIPO NORTEAMERICANOS POR EMPRESAS ESPANOLAS, COMO PARA AYUDAR A IMPULSAR LOS PLANES DE DESARROLLO ENERGETICO E INDUSTRIALES DE ESPANA. EN CON-SECUENCIA, PROCURARAN REFORZAR EN EL FUTURO EL DESARROLLO DE ESTAS RELACIONES FINANCIERAS.

15. ARTICULO 4.

EL GOBIERNO DE ESPANA REITERA SU OBJETIVO DE ALCAN-
ZAR SU PLENA INTEGRACION EN LA COMUNIDAD ECONOMICA EUROPEA Y EL GOVIERNO DE LOS ESTADOS UNIDOS DECLARA SU COMPRENSION

FAVORABLE AL OBJETIVO ESPANOL.

LOS DOS GOBIERNOS ACUERDAN MANTENERSE EN CONTACTO PARA TRATAR DE ALCANZAR SOLUCIONES MUTUAMENTE SATISFATORIAS EN RELACION CON LOS PROBLEMAS QUE PUEDAN SURGIR PARA CUALQUIERA DE AMBAS PARTES A ESTE RESPECTO.

16. ARTICULO 5.

CON OBJETO DE FACILITAR EL LOGRO DE LOS OBJETIVOS ESTABLECIDOS EN EL ARTICULO 2, LOS DOS GOBIERNOS REFORZARAN SUS CONSULTAS SOBRE LA FORMA MAS ADECUADA PARA QUE ESPANA PUEDA SER CALIFICADA COMO PAIS BENEFICIARIO DEL SISTEMA GENERALIZADO DE PREFERENCIAS ESTABLECIDO POR LA LEY DE COMERCIO DE LOS ESTADOS UNIDOS DE 1974.

17. ARTICULO 6.

LOS DOS GOBIERNOS REAFIRMAN SU INTERES EN LLEVAR A CABO UN PROGRAMA REGULAR DE CONSULTAS SOBRE TODAS LAS MATERIAS ECONOMICAS DE INTERES MUTUO. A ESTE FIN, ACUERDAN ESTABLECER UN COMITE ECONOMICO CONJUNTO EN EL MARCO DEL CONFIDENTIAL

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CONSEJO HISPANO-NORTEAMERICANO. EL COMITE ECONOMICO CONJUNTO ENCAUZARA LAS RELACIONES ECONOMICAS BILATERALES, DISCUTIRA LAS MATERIAS DE INTERES MUTUO, TRATARA DE RESOLVER LOS PROBLEMAS QUE PUEDAN SURGIR Y FORMULARA RECOMENDACIONES APROPIADAS PARA AMPLIAR LA COOPERACION ECONOMICA ENTRE AMBOS PAISES.

18. ARTICULO 7.

ESTE ACUERDO ENTRARA EN VIGOR Y CONTINUARA VIGENTE JUNTO CON EL -----
----- ENTRE LOS GOBIERNOS DE ESPANA Y DE LOS ESTADOS UNIDOS. ESTE ACUERDO SUSTITUYE AL DE 15 DE JULIO DE 1968, QUE ESTABLECIO UN COMITE ECONOMICO HISPANO-NORTEAMERICANO.

END SPANISH TEXT.
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